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SENSITIVE
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PLEASE PASS OPIC FOR DIANA JENSEN
DEPARTMENT FOR AF/W

E.O. 12958: N/A

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SUBJECT: LIBERIA: APPLICATION FOR OPIC FINANCE: BUCHANAN RENEWABLES FUEL LIBERIA, INC.

REF A) STATE 54384 B) Monrovia 139

¶11. (SBU) The possibility of electricity generated from abundant locally-available fuel is tremendously appealing. The BRE/MacBain team presents a compelling case, but there are some assumptions and uncertainties that do not yet appear to have been resolved.

¶12. (SBU) Econoff participated in a February meeting between President Sirleaf, her energy advisors, and members of the BRE/MacBain team. At that time the outstanding issues were cost of power, location of the proposed plant, and GOL ability to facilitate land acquisition, confirm permitting and regulations, and secure expeditious legislative approval, if required. We were told then that there were five potential U.S. partners, including one who already has extensive experience investing in Liberia. We were not aware at the time that Mr. Steele, who was at that meeting representing OPIC, was a potential partner.

¶13. (SBU) BRE pressed the GOL for a rapid commitment, saying they needed to order \$10 million in heavy equipment within 90 days (by about May 1) in order to meet the project's ambitious deadlines (the June OPIC board meeting, for a June 2010 completion date). BRE also committed to providing firm cost and site data within 90 days. (Note: We understand from a very recent discussion with Mr. Steele that cost estimates are imminent, although we have not seen them, and that three sites are being considered, none of them, he said, ideal. End note.)

¶14. (SBU) Recent events that could impact the project: The GOL has not made a commitment on an energy strategy. It seems likely this project could be integrated with most future developments, but it relies on and/or will affect completion of the EC-financed transmission grid, continued improvement in the Liberia Electricity Corporation's ability to administer and regulate the sector, and other investment such as rehabilitation of the Mt. Coffee hydroelectric plant. We are not in a position to confirm the sponsor's assurances that the supply of rubber trees is adequate to assure long-term supply for this project, BRE's commitments under its wood chip export project, growing interest in rubber wood exports and furniture building, and local requirements for charcoal.

¶15. (SBU) Participants that would cause the embassy not to support the project: Mr. Steele has visited Monrovia several times in conjunction with OPIC, and we were impressed with his knowledge of the sector. We are not able to evaluate other participants. We are not aware of ties to terrorism, money laundering, corruption, or violations of law. The project participants seem to be placing a high priority on social and environmental considerations.

BOOTH